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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,  Plaintiff,  vs.  REAL PROPERTY IN LOS ANGELES, CALIFORNIA  Defendant.	CASE NO. 2:22-CV-02902-jls-pd  <b>SEDRAK ARUSTAMYAN'S                  VERIFIED ANSWER,                  AFFIRMATIVE DEFENSES,                  COUNTER CLAIM, AND CROSS                  CLAIM</b>
SEDRAK ARUSTAMYAN  Counter-Claimant, vs.  UNITED STATES OF AMERICA  Counter-Defendant.	[Assigned for all purposes to the Hon. Josephine L. Staton]

1 SEDRAK ARUSTAMYAN

2  
3 Cross-Claimant,

4 vs.

5 ARTYOM KHACHATRYAN,  
6 GURGEN KHACHATRYAN

7 Claimants.

8 Here comes the Counter Claimant/Cross-Claimant SEDRAK  
9 ARUSTAMYAN (hereinafter “ARUSTAMYAN”) and hereby files his Answer  
10 pursuant to SUPPLEMENTAL RULE G (5)(b) , Affirmative Defenses, Counter  
11 Claim, and Cross-Claim to Plaintiff’s Verified Complaint for Forfeiture In Rem  
12 (hereinafter “Complaint”).  
13

14 **ANSWER**

- 15 1. ARUSTAMYAN Admits the allegations in paragraph 1 of the Complaint  
16 based upon information and belief.  
17 2. ARUSTAMYAN Denies the allegations in paragraph 2 of the Complaint.  
18 3. ARUSTAMYAN Admits the allegations in paragraph 3 of the Complaint  
19 based upon information and belief.  
20 4. ARUSTAMYAN Admits the allegations in paragraph 4 of the Complaint  
21 based upon information and belief.  
22 5. ARUSTAMYAN Admits the allegations in paragraph 5 of the Complaint,  
23 based upon information and belief.  
24 6. ARUSTAMYAN Admits the allegations in paragraph 6 of the Complaint,  
25 based upon information and belief.  
26 7. ARUSTAMYAN Admits in part and Denies in part the allegations in  
27 paragraph 7 of the Complaint. ARUSTAMYAN Admits that he is a  
28 prominent businessman in Armenia. ARUSTAMYAN Admits that he was

1 an executive officer for Yerevan's Ararat Cognac-Wine-Vodka Factory,  
2 Ecofish Trade Ltd, Jermuk Turboshin. Ltd, and Raps. ARUSTAMYAN  
3 Denies all other allegations in paragraph 7 of the Complaint and Denies that  
4 he has paid bribes to KHACHATRYAN or anyone else in violation of  
5 Article 312 of the Criminal Code of the Republic of Armenia.

6 8. ARUSTAMYAN lacks sufficient knowledge or information and as such  
7 ARUSTAMYAN Denies said allegations.

8 9. ARUSTAMYAN Admits in part and Denies in part the allegations in  
9 paragraph 9 of the Complaint. ARUSTAMYAN Admits that Veto Trust  
10 was formed under the laws of California by an agreement dated May 11,  
11 2011. ARUSTAMYAN Denies the allegations in paragraph 9 of the  
12 Complaint that provides that the Veto Trust purchased the Veto Estate with  
13 unlawful bribes paid by ARUSTAMYAN.

14 10. ARUSTAMYAN Admits the allegations in paragraph 10 of the  
15 Complaint, based upon information and belief.

16 11. ARUSTAMYAN Admits the allegations in paragraph 11 of the  
17 Complaint, based upon information and belief.

18 12. ARUSTAMYAN lacks sufficient knowledge or information to Admit or  
19 Deny the allegations in paragraph 12 of the Complaint, and based thereon  
20 Denies said allegations.

21 13. ARUSTAMYAN lacks sufficient knowledge or information to either  
22 Admit or Deny the allegations in paragraph 13 of the Complaint, and based  
23 thereon Denies said allegations.

24 14. ARUSTAMYAN lacks sufficient knowledge or information to either  
25 Admits or Deny the allegations in paragraph 14 of the Complaint, and based  
26 thereon Denies said allegations.  
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1 15. ARUSTAMYAN Denies the allegations in paragraph 15 of the Complaint  
2 in that there are no acts or omissions that give rise to a forfeiture action.

3 16. ARUSTAMYAN Admits the allegations in paragraph 16 of the  
4 Complaint, based upon information and belief.

5 17. ARUSTAMYAN Admits the allegations in paragraph 17 of the  
6 Complaint, based upon information and belief.

7 18. ARUSTAMYAN Admits in part and Denies in part the allegations in  
8 paragraph 18 of the Complaint. ARUSTAMYAN Admits that  
9 KHACHATRYAN was appointed minister of finance as alleged in the  
10 paragraph 18 of the Complaint, based upon information and belief.  
11 ARUSTAMYAN lacks sufficient knowledge or information as to whether  
12 or not KHACHATRYAN was known as the “Super Minister” and as such  
13 ARUSTAMYAN Denies said allegations.

14 19. ARUSTAMYAN Admits the allegations in paragraph 19 of the  
15 Complaint, based upon information and belief.

16 20. ARUSTAMYAN Admits in part and Denies in part the allegations in  
17 paragraph 20 of the Complaint. ARUSTAMYAN Admits that he was chief  
18 executive officer at Yerevan’s Ararat Cognac-Wine-Vodka Factory,  
19 Ecofish Trade Ltd, Jermuk Turboshin. Ltd, and Raps. However,  
20 ARUSTAMYAN Denies the allegations as to other Armenian Entities  
21 referenced in paragraph 20 of the Complaint.

22 21. ARUSTAMYAN Denies the allegations in paragraph 21 of the Complaint.

23 22. ARUSTAMYAN Denies the allegations in paragraph 22 of the Complaint.

24 23. ARUSTAMYAN Admits in parte and Denies in part the allegations in  
25 paragraph 23 of the Complaint. ARUSTAMYAN Admits that he entered  
26 into a Loan Agreement (“Loan-1”) on approximately July 9, 2009, as set  
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1        forth in paragraph 23 of the Complaint. However, ARUSTAMYAN Denies  
2        that Loan-1 was a sham as alleged in paragraph 23 of the Complaint.

3        24. ARUSTAMYAN Admits the allegations in paragraph 24 of the  
4        Complaint, based upon information and belief.

5        25. ARUSTAMYAN Admits in part and Denies in part the allegations in  
6        paragraph 25 of the Complaint. ARUSTAMYAN Admits that he entered  
7        into an agreement to extend Loan-1's repayment date as alleged in  
8        paragraph 26 of the Complaint. ARUSTAMYAN Denies that he did not  
9        receive any consideration for the extension of Loan-1's repayment date, as  
10       alleged in paragraph 25 of the Complaint.

11       26. ARUSTAMYAN Admits in part and Denies in part the allegations in  
12       paragraph 26 of the Complaint. ARUSTAMYAN Admits that he entered  
13       into a Loan Agreement ("Loan-2") on approximately July 10, 2011, as set  
14       forth in paragraph 26 of the Complaint. However, ARUSTAMYAN Denies  
15       that Loan-2 was a sham as alleged in paragraph 26 of the Complaint.  
16       ARUSTAMYAN further Denies that he did not obtain a security interest in  
17       the Veto Estate, as alleged in paragraph 26 of the Complaint.

18       27. ARUSTAMYAN Admits in part and Denies in part the allegations in  
19       paragraph 27 of the Complaint. ARUSTAMYAN Admits that he entered  
20       into an agreement to extend the repayment date for Loan-2 as alleged in  
21       paragraph 27 of the Complaint. However, ARUSTAMYAN denies that he  
22       did not receive consideration for the extension of Loan-2, as alleged in  
23       paragraph 27 of the Complaint.

24       28. ARUSTAMYAN Admits the allegations in paragraph 28 of the  
25       Complaint. ARUSTAMYAN further alleges that he has filed a civil action  
26       Complaint.

1 in Armenia to enforce his rights to collect on the principal and interest due  
2 and owing to him.

3 29. ARUSTAMYAN Denies the allegations in paragraph 29 of the Complaint.

4 30. ARUSTAMYAN Admits the allegations in paragraph 30 of the  
5 Complaint, based upon information and belief.

6 31. ARUSTAMYAN Denies the allegations in paragraph 31 of the Complaint.

7 32. ARUSTAMYAN Denies the allegations in paragraph 32 of the Complaint  
8 and further provides that on or about January 9, 2019, Araratcement PB  
9 filed a dispute with the Administrative Court of the Republic of Armenia  
10 against the State Revenue Committee of the Republic of Armenia,  
11 requesting to void State Revenue Committee's Tax Penalty No. 10 and No.  
12 11 dated December 19, 2018, with a Tax Penalty No. 3001364, which  
13 covers the period as alleged in Plaintiff's Complaint, for a complete lack of  
14 legal ground. Consequently, on or about September 25, 2020, the  
15 Administrative Court of the Republic of Armenia granted Araratcement  
16 PB's demand to void State Revenue Committee's Tax Penalty No. 3001364  
17 due to lack of legal ground. The State Revenue Committee of the Republic  
18 of Armenia appealed the decision on but no avail since the Appellate  
19 Administrative Court of the Republic of Armenia affirmed the  
20 Administrative Court's decision on November 4, 2021.

21 33. ARUSTAMYAN Denies the allegations in paragraph 33 of the Complaint  
22 and further provides that on or about January 9, 2019, Multi Gaz filed a  
23 dispute with the Administrative Court of the Republic of Armenia against  
24 the State Revenue Committee of the Republic of Armenia, requesting to  
25 void State Revenue Committee's Decisions No. 37-1 and No. 38-1, dated  
26 December 14, 2018, with a Tax Penalty No. 30013187, which covers the  
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1 period as alleged in Plaintiff's Complaint, for a complete lack of legal  
2 ground. Consequently, on or about June 12, 2020, the Administrative Court  
3 of the Republic of Armenia granted Multi Gaz' demand to void State  
4 Revenue Committee's Tax Penalty No. 30013187 due to lack of legal  
5 ground. The State Revenue Committee of the Republic of Armenia  
6 appealed the decision on but no avail since the Appellate Administrative  
7 Court of the Republic of Armenia affirmed the Administrative Court's  
8 decision on September 15, 2021. Similarly, On or about January 8, 2019,  
9 Multi Leon filed a dispute with the Administrative Court of the Republic of  
10 Armenia against the State Revenue Committee of the Republic of Armenia,  
11 requesting to void State Revenue Committee's Decisions No. 6 and No. 7,  
12 dated December 17, 2018, with a Tax Penalty No. 3000858, dated January  
13 17, 2019, which covers the period as alleged in Plaintiff's Complaint, for a  
14 complete lack of legal ground. Consequently, on or about July 23, 2020, the  
15 Administrative Court of the Republic of Armenia granted Multi Leon's  
16 demand to void State Revenue Committee's Tax Penalty No. 3000858,  
17 dated January 17, 2019, due to lack of legal ground. The State Revenue  
18 Committee of the Republic of Armenia appealed the decision on but no  
19 avail since the Appellate Administrative Court of the Republic of Armenia  
20 rejected State Revenue Committee's appeal to reconsider the  
21 Administrative Court's decision on February 2, 2022.

- 22  
23 34. ARUSTAMYAN Admits in part based upon information and belief and  
24 Denies in part the allegations in paragraph 34 of the Complaint.  
25 ARUSTAMYAN Admits based upon information and belief that  
26 KHACHATRYAN is facing charges as described in paragraph 34 of the  
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1 Complaint. ARUSTAMYAN Denies, that Loan-1 and Loan-2 are sham  
2 transactions as alleged in paragraph 34 of the Complaint.

3 35. ARUSTAMNYAN Admits in part on information and belief and Denies in  
4 part the allegations in Paragraph 35 of the Complaint. ARUSTAMYAN  
5 Admits based upon information and belief that GURGEN and ARTYOM  
6 are facing charges as alleged in paragraph 35, of the Complaint.  
7 ARUSTAMYAN lacks sufficient knowledge or information to either admit  
8 or deny the balance of the allegations in paragraph 35 of the Complaint and  
9 based thereon, Denies said allegations.

10 36. ARUSTAMYAN Admits the allegations in paragraph 36 of the Complaint,  
11 however, ARUSTAMYAN Denies any wrongdoing and Denies having paid  
12 bribes to KHACHATRYAN, GURGEN and ARTYOM as alleged in  
13 paragraph 36 of the Complaint.

14 37. ARUSTAMYAN Denies the allegations in paragraph 37 of the Complaint.

15 38. ARUSTAMYAN Admits in part and Denies in part the allegations in  
16 paragraph 38 of the Complaint. ARUSTAMYAN admits based upon  
17 information and belief that the Veto Trust entered into a Residential  
18 Purchase Agreement for the Veto Estate, as alleged in paragraph 38 of the  
19 Complaint. However, ARUSTAMYAN Denies that the Veto Estate was to  
20 become a residence for the Khachatryan family, as alleged in paragraph 38  
21 of the Complaint.

22 39. ARUSTAMYAN lacks sufficient knowledge or information to either  
23 admit or deny the allegations in paragraph 39 of the Complaint and based  
24 thereon, Denies said allegations.

25 40. ARUSTAMYAN Denies the allegations in paragraph 40 of the Complaint  
26 and Denies having made any bribe payments.  
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1 41.ARUSTAMYAN Admits the allegations in paragraph 41 of the Complaint.

2 42.ARUSTAMYAN Admits the allegations in paragraph 42 of the Complaint,  
3 based upon information and belief.

4 43.ARUSTAMYAN Admits the allegations in paragraph 43 of the Complaint.

5 44. ARUSTAMYAN Admits in part and Denies in part the allegations in  
6 paragraph 44 of the Complaint. ARUSTAMYAN Admits that wires 2 to 6  
7 corresponds very nearly with the amount of Loan-2, as alleged in paragraph  
8 44 of the Complaint. ARUSTAMYAN Denies that Loan-2 was a sham and  
9 further Denies that Wires 1 through 6 was an illegal bribe payment, as  
10 alleged in paragraph 44 of the Complaint.

11 45.ARUSTAMYAN lacks sufficient knowledge and information to either  
12 Admit or Deny the allegations in paragraph 45 of the Complaint and based  
13 thereon Denies said allegations.

14 46.ARUSTAMYAN Admits the allegations in paragraph 46 of the Complaint,  
15 based upon information and belief.

16 47.ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
17 or Deny the allegations in paragraph 47 of the Complaint and based  
18 thereon, Denies said allegations.

19 48.ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
20 or Deny the allegations in paragraph 48 of the Complaint and based  
21 thereon, Denies said allegations.

22 49.ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
23 or Deny the allegations in paragraph 49 of the Complaint and based  
24 thereon, Denies said allegations.  
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1 50. ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
2 or Deny the allegations in paragraph 50 of the Complaint and based  
3 thereon, Denies said allegations.

4 51. ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
5 or Deny the allegations in paragraph 51 of the Complaint and based  
6 thereon, Denies said allegations.

7 52. ARUSTAMYAN lacks sufficient knowledge or information to either Admit  
8 or Deny the allegations in paragraph 52 of the Complaint and based  
9 thereon, Denies said allegations.

10 53. ARUSTAMYAN Admits the allegations in paragraph 53 of the Complaint,  
11 based upon information and belief.

12 54. ARUSTAMYAN Admits the allegations in paragraph 54 of the  
13 Complaint, based upon information and belief.

14 55. ARUSTAMYAN Admits the allegations in paragraph 55 of the Complaint,  
15 based upon information and belief.

16 56. ARUSTAMYAN Admits the allegations in paragraph 56 of the Complaint,  
17 based upon information and belief.

18 57. ARUSTAMYAN Admits the allegations in paragraph 57 of the Complaint,  
19 based upon information and belief.

20 58. ARUSTAMYAN Admits the allegations in paragraph 58 of the Complaint,  
21 based upon information and belief.

22 59. ARUSTAMYAN Admits the allegations in paragraph 59 of the Complaint,  
23 based upon information and belief.

24 60. ARUSTAMYAN incorporates by reference his response to the preceding  
25 paragraphs as though fully set forth herein

26 61. ARUSTAMYAN Denies the allegations in paragraph 61 of the Complaint.  
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62. ARUSTAMYAN lacks sufficient knowledge or information to either Admit or Deny the allegations in paragraph 62 of the Complaint and based thereon Denies said allegations.

63. ARUSTAMYAN Denies the allegations in paragraph 62 (a) through 62 (f) of the Complaint.

64. ARUSTAMYAN Denies the allegations in paragraph 64 of the Complaint.

65. ARUSTAMYAN incorporates by reference his response to the preceding paragraphs as though fully set forth herein.

66. ARUSTAMYAN Denies the allegations in paragraph 66 of the Complaint.

67. ARUSTAMYAN Denies the allegations in paragraph 67 of the Complaint.

68. ARUSTAMYAN incorporates by reference his response to the preceding paragraphs as though fully set forth herein.

69. ARUSTAMYAN Denies the allegations in paragraph 69 of the Complaint.

70. ARUSTAMYAN Denies the allegations in paragraph 70 of the Complaint.

### **AFFIRMATIVE DEFENSES**

### **GENERAL BACKGROUND**

1. ARUSTAMYAN claims equitable and lienholder interest in the Property pursuant to the three joint business venture agreements for profit between ARUSTAMIAN and Claimants ARTYOM KHACHATRYAN and GURGEN KHACHATRYAN (hereinafter "Claimants") as discussed below.
2. As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3 as discussed below, Borrowers, Artyom Khachatryan and Gurgen Khachatryan guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3, including

1 but not limited to the Veto Estate. Said consent by the Borrowers is  
2 unconditional and extends to whatever properties, assets and belongings  
3 may be available from which ARUSTAMYAN may satisfy the sums  
4 due and owing pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN  
5 NO. 3.

6 3. In his witness statement to the Department of Economic Security and  
7 Countering Corruption of National Security Service of the Republic of  
8 Armenia on January 29, 2019, Claimant GURGEN KHACHATRYAN  
9 stated that ARUSTAMIAN and CLAIMANTS entered into a joint  
10 venture agreement for profit on or about 2009 to invest in real  
11 properties. Claimant GURGEN KHACHATRYAN further stated that  
12 they entered into a LOAN No. 1 as stated below to buy a real estate  
13 property located at 424 Robert Lane, Los Angeles, CA. Per the joint  
14 venture agreement, ARUSTAMIAN and CLAIMANTS were to  
15 renovate said property and re-sell for a higher price, and thereafter,  
16 equally share the net proceeds from the sale of said property.

17 4. Claimant GURGEN KHACHATRYAN further states in his witness  
18 statement January 29, 2019, that ARUSTAMIAN and CLAIMANTS  
19 entered into another joint venture agreement which formed the basis for  
20 LOAN 3 as discussed below. On or about 2011, after successfully  
21 accomplishing the first real property investment and sale in 2009,  
22 ARUSTAMIAN and CLAIMANTS entered into another joint venture  
23 agreement, which formed the basis for LOAN 3, to invest in real  
24 property located at 530 South Mapleton Drive, Los Angeles, CA to  
25 renovate, resale, and share the net proceeds from the sale of the property.  
26 Claimant GURGEN KHACHATRYAN further added in his statement  
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1 on January 29, 2019, that he seeks to sell the property located at 530  
2 South Mapleton Drive, Los Angeles, CA to payout ARUSTAMYAN'S  
3 debts from the proceeds of the sell.

4 5. Similarly, in his statement to the Department of Economic Security and  
5 Countering Corruption of National Security Service of the Republic of  
6 Armenia in August of 2019, and in his supplemental statements on April  
7 24, 2020, on June 9, 2020, and on October 9, 2020, ARUSTAMIAN  
8 confirmed that CLAIMANTS and he entered into joint venture  
9 agreement(s) for profit since 2009 to invest in real properties, buy  
10 buying real estate, renovating, and selling them, which formed the basis  
11 of three loan agreements as discussed below. In exchange for  
12 consideration in all three loans, CLAIMANTS were to pay  
13 ARUSTAMYAN 4 (four) percent annual interest on each of three loans  
14 as discussed below.

15 6. On or about July 9, 2009, ARUSTAMYAN entered into a \$7,000,000  
16 Loan Agreement with CLAIMANTS, (hereinafter "**LOAN NO. 1**").  
17 According to the written terms of LOAN NO. 1, the loan was due to be  
18 paid in full plus 4 (four) percent annual interest on July 30, 2010, to be  
19 paid by the due date on July 20, 2010. If the loan was not repaid within  
20 the specified time, a penalty of 0.01 percent was to be assessed per day,  
21 until the LOAN NO. 1 is paid in full.

22 7. As consideration and inducement for LOAN NO. 1; Borrowers, Artyom  
23 Khachatryan and Gurgen Khachatryan guaranteed and pledged all  
24 properties, assets and belongings, of whatever nature to and in favor of  
25 ARUSTAMYAN, as security for LOAN NO. 1 including but not limited  
26 to the Veto Estate. Said consent by the Borrowers is unconditional and  
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1 extends to whatever properties, assets and belongings may be available  
2 from which ARUSTAMYAN may satisfy the sums due and owing  
3 pursuant to LOAN NO. 1.

4 8. On or about July 29, 2010, ARUSTAMYAN and CLAIMANTS entered  
5 into an amended agreement to extend LOAN NO. 1's repayment date to  
6 July 30, 2015 (hereinafter "Amendment 1 for LOAN No. 1"). All other  
7 provisions on LOAN NO. 1 remained the same and in effect as to  
8 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
9 interest and a penalty of 0.01 percent was to be assessed per day, if  
10 LOAN No. 1 was not repaid in full within the specified time.

11 9. On or about July 28, 2015, ARUSTAMYAN and CLAIMANTS entered  
12 into another amended agreement to extend LOAN NO. 1's repayment  
13 date to July 30, 2010 (hereinafter "Amendment 2 for LOAN No. 1"). All  
14 other provisions on LOAN NO. 1 remained the same and in effect as to  
15 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
16 interest and a penalty of 0.01 percent was to be assessed per day, if  
17 LOAN No. 1 was not repaid in full within the specified time. A true and  
18 correct copy of English translation of LOAN NO. 1 and Amendment 1  
19 for LOAN NO. 1, and Amendment 2 for LOAN NO. 1 are attached  
20 hereto as **Exhibit "A."**

21  
22 10. On or ABOUT April 30, 2011, ARUSTAMYAN entered into a  
23 \$10,000,000 Loan Agreement with CLAIMANTS, (hereinafter "**LOAN**  
24 **NO. 2**"). According to the written terms of LOAN NO. 2, the loan was  
25 due to be paid in full plus 4 (four) percent annual interest on April 30,  
26 2016, to be paid by the due date on April 30, 2016. If the loan was not  
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repaid within the specified time, a penalty of 0.01 percent was to be assessed per day, until the LOAN NO. 2 is paid in full.

11. As consideration and inducement for LOAN NO. 2; Borrowers, Artyom Khachatryan and Gurgun Khachatryan guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 2, including but not limited to the Veto Estate. Said consent by the Borrowers is unconditional and extends to whatever properties, assets and belongings may be available from which ARUSTAMYAN may satisfy the sums due and owing pursuant to LOAN NO. 2.

12. On or about April 20, 2016, ARUSTAMYAN and CLAIMANTS entered into an amended agreement to extend LOAN NO. 2's repayment date to April 30, 2019 (hereinafter "Amendment 1 for LOAN No. 2"). All other provisions on LOAN NO. 2 remained the same and in effect as to Amendment 1 for LOAN No. 1, including 4 (four) percent annual interest and a penalty of 0.01 percent was to be assessed per day, until the LOAN NO. 2 is paid in full, if the LOAN NO. 2 was not repaid within the specified time. A true and correct copy of English translation of LOAN NO. 2 and Amendment 1 for LOAN NO. 2 are attached hereto as **Exhibit "B."**

13. On or ABOUT July 10, 2011, ARUSTAMYAN entered into a \$13,400,000 Loan Agreement with CLAIMANTS, (hereinafter "**LOAN NO. 3**"). According to the written terms of LOAN NO. 3, the loan was due to be paid in full plus 4 (four) percent annual interest on July 10, 2016, to be paid by the due date on July 10, 2016. If the loan was not

1 repaid within the specified time, a penalty of 0.01 percent was to be  
2 assessed per day, until the LOAN NO. 3 is paid in full.

3 14.As consideration and inducement for LOAN NO. 3; Borrowers, Artyom  
4 Khachatryan and Gurgun Khachatryan guaranteed and pledged all  
5 properties, assets and belongings, of whatever nature to and in favor of  
6 ARUSTAMYAN, as security for LOAN NO. 3, including but not  
7 limited to the Veto Estate. Said consent by the Borrowers is  
8 unconditional and extends to whatever properties, assets and belongings  
9 may be available from which ARUSTAMYAN may satisfy the sums  
10 due and owing pursuant to LOAN NO. 3.

11 15.On or about July 7, 2016, ARUSTAMYAN and CLAIMANTS entered  
12 into an amended agreement to extend LOAN NO. 3's repayment date to  
13 July 10, 2019 (hereinafter "Amendment 1 for LOAN No. 3"). All other  
14 provisions on LOAN NO. 3 remained the same and in effect as to  
15 Amendment 1 for LOAN No. 1, including 4 (four)percent annual  
16 interest and a penalty of 0.01 percent was to be assessed per day, until  
17 the LOAN NO. 3 is paid in full, if the LOAN NO. 3 was not repaid  
18 within the specified time. A true and correct copy of English translation  
19 of LOAN NO. 3 and Amendment 1 for LOAN NO. 3 are attached hereto  
20 as **Exhibit "C."**

21 16. Pursuant to a the ARUSTAMYAN and CLAIMANTS joint venture  
22 agreement, funds from ARUSTAMYAN corresponding to this LOAN  
23 NO. 3 amount were used to purchase the Veto Estate. As acknowledged  
24 in the Complaint, on July 8, 2011, ARUSTAMYAN caused  
25 approximately \$999,500 to be wired from an HSBC account in Armenia  
26 in his name to the Veto Trust's Bank of America account ending in  
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‘7103 in the United States. Four days later, on July 12, 2011, the Veto Trust used check No. 102 in the amount of \$1,000,000 drawn on the same Bank of America Account to open escrow with West Coast Escrow at Comerica Bank for purchase of the Veto Estate. Four days later, on July 12, 2011, the Veto Trust used check No. 102 in the amount of \$1,000,000 drawn on the same Bank of America Account to open escrow with West Coast Escrow at Comerica Bank for purchase of the Veto Estate. After the Veto Trust’s initial \$1 million payment, ARUSTAMYAN paid the substantial remainder of the purchase price directly to West Coast Escrow at its account at Comerica Bank. From July 27, 2011 to August 3, 2011, ARUSTAMYAN caused the following wire transfers to be made from HSBC Bank accounts in Armenia in his name to the West Coast Escrow account at Comerica Bank in a total of total \$13,401,199.40. Compl. ¶ 41, 42, 43.

17. This sum corresponds to the amount of LOAN NO. 3 for \$13,400,000 ARUSTAMYAN entered with CLAIMANTS on July, 10, 2011. Pursuant to their joint venture agreement between ARUSTAMYAN and CLAIMANTS, CLAIMANTS purchased 530 South Mapleton Drive, Los Angeles, CA to renovate and then to re-sell, and share the net profits from the sale of the property, after reimbursement of costs to CLAIMANTS and repaying the principal to ARUSTAMYAN.

18. As of April 2, 2021, CLAIMANTS failed to perform under the LOAN NO. 1; LOAN NO. 2, and LOAN NO. 3.

19. As such, on or about April 2, 2021, ARUSTAMYAN filed two separates Demands for Involuntary Bankruptcy (hereinafter “Demand”) in the Republic of Armenia Bankruptcy Court to declare CLAIMANTS

bankrupt pursuant to Republic of Armenia *Bankruptcy Code* Article 3 (1), which states in pertinent parts “The debtor can be declared bankrupt the judgment - on own initiative (the statement for voluntary bankruptcy) or upon the demand of the creditor (the statement for involuntary insolvency) if the debtor is insolvent.” Article 3 (2) further states in pertinent parts that “The judgment debtor can be declared bankrupt: 1) based on the statement for involuntary insolvency if it allowed delay of the indisputable payment obligations exceeding the two-thousand fold size of the minimum wage established by the law for the term of 90 days and more, and the specified delay continues at the time of decision (the actual insolvency). The payment obligation is indisputable if the debtor does not object to it or if he objects to the mentioned obligation.”

20. ARUSTAMYAN further claimed in each Demand a total of \$21,122,000 against each CLAIMANT. This amount was calculated by adding \$15,200,000 for each CLAIMANT (50% of the total amount due by both CLAIMANTS for an amount of \$30,400,000 pursuant to LOAN NO. 1 for \$7,000,000; LOAN NO. 2 for \$10,000,000; and LOAN NO. 3 for \$13,400,000) to the 50% a cumulated interest of \$5,922,000, from a total cumulated interest of \$11,844,000.

21. As such, ARUSTAMYAN demanded a recovery total of \$21,122,000 against CLAIMANT ARTYOM KHACHATRYAN and \$21,122,000 against CLAIMANT GURGEN KHACHATRYAN.

22. On or about March 24, 2022, Republic of Armenia Bankruptcy Court granted ARUSTAMYAN’S Demand and declared CLAIMANT GURGEN KHACHATRYAN bankrupt. Republic of Armenia

1 Bankruptcy Court further ordered to put a lien on all property belonging  
2 to CLAIMANT GURGEN KHACHATRYAN, excluding all properties  
3 that are exempt from a lien.

4 23. On or about January 27, 2022, ARUSTAMYAN filed a Demand for  
5 Forfeiture Money in a total amount of 19,429,436,000 in Armenian  
6 Dram pursuant to LOAN NO.1; LOAN NO.2; and LOAN NO.3 with the  
7 Kotayq District Court of First Instance. This action is still pending with  
8 the Court.

9 **FIRST AFFIRMATIVE DEFENSE**

10 Plaintiff is estopped from pursuing this civil forfeiture action because it has  
11 failed to conduct an adequate investigation and filed its Complaint without  
12 sufficient prior analysis of the facts or understanding of LOAN NO.1; LOAN NO.  
13 2; and LOAN NO. 3.

14 **SECOND AFFIRMATIVE DEFENSE**

15 The allegations contained in Plaintiff's Complaint are compound, vague and  
16 ambiguous.

17 **THIRD AFFIRMATIVE DEFENSE**

18 The government cannot obtain a forfeiture judgment pursuant to the unclean  
19 hands doctrine.

20 **FOURTH AFFIRMATIVE DEFENSE**

21 The government cannot obtain the forfeiture it seeks because that result  
22 would be constitutionally disproportionate, pursuant to the Eighth Amendment to  
23 the United States Constitution.

24 **FIFTH AFFIRMATIVE DEFENSE**

25 The government cannot obtain a forfeiture judgment because it has not acted  
26 in good faith.

**SIXTH AFFIRMATIVE DEFENSE**

No substantial connection between the Property and the alleged illegal conduct. Plaintiff's claims fail, in whole or in part, because the Property does not have a "substantial connection" to alleged conduct giving rise to forfeiture under 18 U.S.C. § 983(c).

**SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims fail, in whole or in part, because the proposed forfeiture is grossly disproportionate to the alleged underlying conduct giving rise to the forfeiture pursuant to 18 U.S.C. § 983(g).

**EIGHTH AFFIRMATIVE DEFENSE**

Plaintiff's claim that Claimant violated 18 U.S.C. Sections 1956 and 1957, which subjected the defendant property to civil forfeiture pursuant to 18 U.S.C. Section 981(a)(1)(A), and Section 981(a)(1)(C) is a claim upon which relief cannot be granted because the Claimants were engaged in a legal business enterprise that did not involve bribery or other illegal activities.

**RESERVATION OF RIGHTS**

ARUSTAMYAN reserves the right to assert additional affirmative defenses or amend these affirmative defenses as discovery warrants and to the extent that facts discovered in the course of this litigation support such an affirmative defense.

**ARUSTAMYAN'S DEMAND FOR JURY TRIAL**

ARUSTAMYAN hereby demands a trial by jury of all issues so triable.

**ARUSTAMYAN'S COUNTERCLAIM**

Here comes the Counter Claimant/Cross-Claimant SEDRAK ARUSTAMYAN (hereinafter "ARUSTAMYAN") and hereby files this Counterclaim against the United States of America as follows:

///



## **JURISDICTION AND VENUE**

1. This is an action for declaratory and injunctive relief regarding questions for federal law, and this court therefore has jurisdiction.
2. Venue is proper in this district, as the defendant property is located in this district and Plaintiff filed its Verified Complaint for Forfeiture in this district.

## **THE PARTIES**

3. ARUSTAMYAN resides in Yerevan, Republic of Armenia, and claims an equitable interest in the real property located at 530 South Mapleton Drive, Los Angeles, CA (hereinafter "Veto Estate") that is the subject of the Verified Complaint for Forfeiture filed by Plaintiff the United States of America in this case.
4. Plaintiff/Counter-Defendant the United States of America is already within the jurisdiction of this Court and is the Plaintiff in the Verified Complaint for Forfeiture.

## **GENERAL ALLEGATIONS**

5. ARUSTAMYAN claims equitable and lienholder interests in the Property pursuant to the three joint business venture agreements for profit, between ARUSTAMYAN and Claimants ARTYOM KHACHATRYAN ("ARTYOM") and GURGEN KHACHATRYAN ("GURGEN") referred to collectively as "BORROWERS" as discussed below.
6. As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3 as discussed below, BORROWERS guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN NO.

1 2; and LOAN NO. 3, including but not limited to the Veto Estate. Said  
2 consent by the BORROWERS is unconditional and extends to whatever  
3 properties, assets and belongings may be available from which  
4 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
5 LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3.

6 7. In his witness statement to the Department of Economic Security and  
7 Countering Corruption of National Security Service of the Republic of  
8 Armenia on January 29, 2019, Claimant GURGEN stated that  
9 ARUSTAMYAN and BORROWERS entered into a joint venture  
10 agreement for profit on or about 2009 to invest in real properties.  
11 Claimant GURGEN further stated that they entered into a LOAN No. 1  
12 as stated below to buy a real property located at 424 Robert Lane, Los  
13 Angeles, CA. Per the joint venture agreement, ARUSTAMYAN and  
14 BORROWERS were to renovate said property and re-sell at a higher  
15 price, and thereafter, equally share the net proceeds from the sale of said  
16 property.

17 8. Claimant GURGEN further states in his witness statement January 29,  
18 2019, that ARUSTAMYAN and BORROWERS entered into another  
19 joint venture agreement which formed the basis for LOAN 3 as  
20 discussed below. On or about 2011, after successfully accomplishing the  
21 first real property investment and sale in 2009, ARUSTAMYAN and  
22 BORROWERS entered into another joint venture agreement, which  
23 formed the basis for LOAN 3, to invest in real property located at 530  
24 South Mapleton Drive, Los Angeles, CA, the Veto Estate, to renovate,  
25 resale, and share the net proceeds from the sale of the property.  
26 GURGEN further added in his statement on January 29, 2019, that he  
27  
28

1 seeks to sell the Veto Estate to repay the debts owed to  
2 ARUSTAMYAN's from the proceeds of the sell.

3 9. Similarly, in his statement to the Department of Economic Security and  
4 Countering Corruption of National Security Service of the Republic of  
5 Armenia in August of 2019, and in his supplemental statements on April  
6 24, 2020, on June 9, 2020, and on October 9, 2020, ARUSTAMYAN  
7 confirmed that BORROWERS and he entered into joint venture  
8 agreement(s) for profit since 2009 to invest in real properties, buy  
9 buying real estate, renovating, and selling them, which formed the basis  
10 of three loan agreements as discussed below. In exchange for  
11 consideration in all three loans, BORROWERS were to pay  
12 ARUSTAMYAN 4 (four) percent annual interest on each of three loans  
13 as discussed below.

14 10. On or about July 9, 2009, ARUSTAMYAN entered into a \$7,000,000  
15 Loan Agreement with BORROWERS, (hereinafter "**LOAN NO. 1**").  
16 According to the written terms of LOAN NO. 1, the loan was due to be  
17 paid in full plus 4 (four) percent annual interest on July 30, 2010, to be  
18 paid by the due date on July 20, 2010. If the loan was not repaid within  
19 the specified time, a penalty of 0.01 percent was to be assessed per day,  
20 until the LOAN NO. 1 is paid in full. A true and correct copy of English  
21 translation of LOAN NO. 1 is attached hereto as **Exhibit "A."**

22 11. On or about July 29, 2010, ARUSTAMYAN and BORROWERS  
23 entered into an amended agreement to extend LOAN NO. 1's repayment  
24 date to July 30, 2015 (hereinafter "**Amendment 1 for LOAN No. 1**"). All  
25 other provisions on LOAN NO. 1 remained the same and in effect as to  
26 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
27

1 interest and a penalty of 0.01 percent was to be assessed per day, if  
2 LOAN No. 1 was not repaid in full within the specified time.

3 12. On or about July 28, 2015, ARUSTAMYAN and BORROWERS  
4 entered into another amended agreement to extend LOAN NO. 1's  
5 repayment date to July 30, 2010 (hereinafter "Amendment 2 for LOAN  
6 No. 1"). All other provisions on LOAN NO. 1 remained the same and in  
7 effect as to Amendment 1 for LOAN No. 1, including 4 (four) percent  
8 annual interest and a penalty of 0.01 percent was to be assessed per day,  
9 if LOAN No. 1 was not repaid in full within the specified time.

10 13. As consideration and inducement for LOAN NO. 1; BORROWERS  
11 guaranteed and pledged all properties, assets and belongings, of  
12 whatever nature to and in favor of ARUSTAMYAN, as security for  
13 LOAN NO. 1 including but not limited to the Veto Estate. Said consent  
14 by the BORROWERS is unconditional and extends to whatever  
15 properties, assets and belongings may be available from which  
16 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
17 LOAN NO. 1. A true and correct copy of English translation of LOAN  
18 NO. 1 and Amendment 1 for LOAN NO. 1, and Amendment 2 for  
19 LOAN NO. 1 are attached hereto as **Exhibit "A."**

20  
21 14. On or ABOUT April 30, 2011, ARUSTAMYAN entered into a  
22 \$10,000,000 Loan Agreement with BORROWERS, (hereinafter "**LOAN**  
23 **NO. 2**"). According to the written terms of LOAN NO. 2, the loan was  
24 due to be paid in full plus 4 (four) percent annual interest on April 30,  
25 2016, to be paid by the due date on April 30, 2016. If the loan was not  
26 repaid within the specified time, a penalty of 0.01 percent was to be  
27 assessed per day, until the LOAN NO. 2 is paid in full.

1 15.As consideration and inducement for LOAN NO. 2; BORROWERS  
2 guaranteed and pledged all properties, assets and belongings, of  
3 whatever nature to and in favor of ARUSTAMYAN, as security for  
4 LOAN NO. 2 including but not limited to the Veto Estate. Said consent  
5 by the BORROWERS is unconditional and extends to whatever  
6 properties, assets and belongings may be available from which  
7 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
8 LOAN NO. 2.

9 16.On or about April 20, 2016, ARUSTAMYAN and BORROWERS  
10 entered into an amended agreement to extend LOAN NO. 2's repayment  
11 date to April 30, 2019 (hereinafter "Amendment 1 for LOAN No. 2").  
12 All other provisions on LOAN NO. 2 remained the same and in effect as  
13 to Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
14 interest and a penalty of 0.01 percent was to be assessed per day, until  
15 the LOAN NO. 2 is paid in full, if the LOAN NO. 2 was not repaid  
16 within the specified time. A true and correct copy of English translation  
17 of LOAN NO. 2 and Amendment 1 for LOAN NO. 2 are attached hereto  
18 as **Exhibit "B."**

19 17.On or ABOUT July 10, 2011, ARUSTAMYAN entered into a  
20 \$13,400,000 Loan Agreement with BORROWERS, (hereinafter "**LOAN**  
21 **NO. 3**"). According to the written terms of LOAN NO. 3, the loan was  
22 due to be paid in full plus 4 (four) percent annual interest on July 10,  
23 2016, to be paid by the due date on July 10, 2016. If the loan was not  
24 repaid within the specified time, a penalty of 0.01 percent was to be  
25 assessed per day, until the LOAN NO. 3 is paid in full.  
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1 18.As consideration and inducement for LOAN NO. 3; BORROWERS,  
2 guaranteed and pledged all properties, assets and belongings, of  
3 whatever nature to and in favor of ARUSTAMYAN, as security for  
4 LOAN NO. 3 including but not limited to the Veto Estate. Said consent  
5 by the BORROWERS is unconditional and extends to whatever  
6 properties, assets and belongings may be available from which  
7 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
8 LOAN NO. 3.

9 19.On or about July 7, 2016, ARUSTAMYAN and BORROWERS entered  
10 into an amended agreement to extend LOAN NO. 3's repayment date to  
11 July 10, 2019 (hereinafter "Amendment 1 for LOAN No. 3"). All other  
12 provisions on LOAN NO. 3 remained the same and in effect as to  
13 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
14 interest and a penalty of 0.01 percent was to be assessed per day, until  
15 the LOAN NO. 3 is paid in full, if the LOAN NO. 3 was not repaid  
16 within the specified time. A true and correct copy of English translation  
17 of LOAN NO. 3 and Amendment 1 for LOAN NO. 3 are attached hereto  
18 as **Exhibit "C."**

19 20. Pursuant to a the ARUSTAMYAN and BORROWERS' joint venture  
20 agreement, funds from ARUSTAMYAN corresponding to this LOAN  
21 NO. 3 amount were used to purchase the Veto Estate. As acknowledged  
22 in the Complaint, on July 8, 2011, ARUSTAMYAN caused  
23 approximately \$999,500 to be wired from an HSBC account in Armenia  
24 in his name to the Veto Trust's Bank of America account ending in  
25 '7103 in the United States. Four days later, on July 12, 2011, the Veto  
26 Trust used check No. 102 in the amount of \$1,000,000 drawn on the  
27  
28



1 same Bank of America Account to open escrow with West Coast Escrow  
2 at Comerica Bank for purchase of the Veto Estate. Four days later, on  
3 July 12, 2011, the Veto Trust used check No. 102 in the amount of  
4 \$1,000,000 drawn on the same Bank of America Account to open  
5 escrow with West Coast Escrow at Comerica Bank for purchase of the  
6 Veto Estate. After the Veto Trust's initial \$1 million payment,  
7 ARUSTAMYAN paid the substantial remainder of the purchase price  
8 directly to West Coast Escrow at its account at Comerica Bank. From  
9 July 27, 2011 to August 3, 2011, ARUSTAMYAN caused the following  
10 wire transfers to be made from HSBC Bank accounts in Armenia in his  
11 name to the West Coast Escrow account at Comerica Bank in a total of  
12 total \$13,401,199.40. Compl. ¶ 41, 42, 43.

13 21. This sum corresponds to the amount of LOAN NO. 3 for \$13,400,000  
14 ARUSTAMYAN entered with CLAIMANTS on July, 10, 2011.  
15 Pursuant to their joint venture agreement between ARUSTAMYAN and  
16 BORROWERS, the BORROWERS purchased 530 South Mapleton  
17 Drive, Los Angeles, CA, the Veto Estate, to renovate and to re-sell at a  
18 higher rate and to share the net profits from the sale of the property, after  
19 reimbursement of costs to BORROWERS and repaying the principal to  
20 ARUSTAMYAN.

21 22. As of April 2, 2021, BORROWERS failed to perform under the terms  
22 of LOAN NO. 1; LOAN NO. 2, and LOAN NO. 3.

23 23. As such, on or about April 2, 2021, ARUSTAMYAN filed two  
24 separates Demands for Involuntary Bankruptcy (hereinafter "Demand")  
25 in the Republic of Armenia Bankruptcy Court to declare BORROWERS  
26 bankrupt pursuant to Republic of Armenia *Bankruptcy Code* Article 3  
27  
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(1), which states in pertinent parts “The debtor can be declared bankrupt the judgment - on own initiative (the statement for voluntary bankruptcy) or upon the demand of the creditor (the statement for involuntary insolvency) if the debtor is insolvent.” Article 3 (2) further states in pertinent parts that “The judgment debtor can be declared bankrupt: 1) based on the statement for involuntary insolvency if it allowed delay of the indisputable payment obligations exceeding the two-thousand fold size of the minimum wage established by the law for the term of 90 days and more, and the specified delay continues at the time of decision (the actual insolvency). The payment obligation is indisputable if the debtor does not object to it or if he objects to the mentioned obligation.”

24. ARUSTAMYAN further claimed in each Demand a total of \$21,122,000 against each BORROWER. This amount was calculated by adding \$15,200,000 for each BORROWER (50% of the total amount due by both BORROWERS for an amount of \$30,400,000 pursuant to LOAN NO. 1 for \$7,000,000; LOAN NO. 2 for \$10,000,000; and LOAN NO. 3 for \$13,400,000) to the 50% a cumulated interest of \$5,922,000, from a total cumulated interest of \$11,844,000.

25. As such, ARUSTAMYAN demanded a recovery total of \$21,122,000 against ARTYOM and \$21,122,000 against GURGEN.

26. On or about March 24, 2022, Republic of Armenia Bankruptcy Court granted ARUSTAMYAN’S Demand and declared GURGEN bankrupt. Republic of Armenia Bankruptcy Court further ordered to put a lien on all property belonging to GURGEN, excluding all properties that are exempt from a lien.

1 27. On or about January 27, 2022, ARUSTAMYAN filed a Demand for  
2 Forfeiture Money in a total amount of 19,429,436,000 in Armenian  
3 Dram pursuant to LOAN NO.1; LOAN NO.2; and LOAN NO.3 with the  
4 Kotayq District Court of First Instance. This action is still pending.

5 28. Although ARUSTAMYAN was charged over two years ago with  
6 violation of Article 312 of the Criminal Code of the Republic of  
7 Armenia, he has yet to be convicted and the charges have yet to even  
8 proceed to court.

9 29. The criminal charge against ARUSTAMYAN has been in the  
10 investigation stage *since April of 2020, and no formal criminal court*  
11 *proceedings have been held since then* due to prosecutor's inability to  
12 collect/present sufficient evidence that the crime in question has  
13 occurred.

14 30. Consequently, PLAINTIFF'S claims fail, in whole or in part, because  
15 the Property does not have a "substantial connection" to any alleged  
16 felony conduct giving rise to forfeiture under 18 U.S.C. § 983(c).

17 31. ARUSTAMYAN and BORROWERS were engaged in lawful business  
18 activities, the three joint venture agreements for profit (LOAN NO.1;  
19 LOAN NO. 2; and LOAN NO. 3).

20 32. ARUSTAMYAN did not bribe KHACHATRYAN while  
21 KHACHATRYAN was serving the first as the chairman of the State  
22 Revenue Committee and later as the minister of finance of the Republic  
23 of Armenia as alleged in Plaintiff's Complaint.

24 33. ARUSTAMYAN did not make the payments to BORROWERS in order  
25 to secure favorable tax treatment for his business entities, as alleged in  
26 Plaintiff's Complaint.  
27

1 34. In fact, ARUSTAMYAN actively exercised his rights and sought court  
2 intervention in the civil and bankruptcy courts of the Republic of  
3 Armenia to recover monies owed to him by BORROWERS pursuant to  
4 three joint business venture agreements for profit (LOAN NO.1; LOAN  
5 NO. 2; and LOAN NO. 3).

6 35. As such, ARUSTAMYAN filed two separates Demands for Involuntary  
7 Bankruptcy (hereinafter "Demand") in the Republic of Armenia  
8 Bankruptcy Court to declare BORROWERS bankrupt pursuant to  
9 Republic of Armenia *Bankruptcy Code* Article 3 (1).

10 36. ARUSTAMYAN demanded a recovery total of \$21,122,000 against  
11 ARTYOM and \$21,122,000 against GURGEN.

12 37. On or about March 24, 2022, Republic of Armenia Bankruptcy Court  
13 granted ARUSTAMYAN'S Demand and declared GURGEN bankrupt.  
14 Republic of Armenia Bankruptcy Court further ordered to put a lien on  
15 all property belonging to GURGEN, excluding all properties that are  
16 exempt from a lien.

17 38. Similarly, on or about January 27, 2022, ARUSTAMYAN filed a  
18 Demand for Forfeiture Money in a total amount of 19,429,436,000 in  
19 Armenian Dram pursuant to LOAN NO.1; LOAN NO.2; and LOAN  
20 NO.3 with the Kotayq District Court of First Instance. This action is still  
21 pending.

22 39. At no time have the companies with which ARUSTAMYAN is  
23 affiliated, namely, Araratcement PB, Multi Gaz, and Multi Leon been  
24 found responsible for tax evasion as alleged in the Complaint at ¶ 29-33.

25 40. In fact, on or about January 9, 2019, Araratcement PB filed a dispute  
26 with the Administrative Court of the Republic of Armenia against the  
27

1 State Revenue Committee of the Republic of Armenia, requesting to  
2 void State Revenue Committee's Tax Penalty No. 10 and No. 11 dated  
3 December 19, 2018, with a Tax Penalty No. 3001364, which covers the  
4 period as alleged in Plaintiff's Complaint, for a complete lack of legal  
5 ground. Consequently, on or about September 25, 2020, the  
6 Administrative Court of the Republic of Armenia granted Araratcement  
7 PB's demand to void State Revenue Committee's Tax Penalty No.  
8 3001364 due to lack of legal ground. The State Revenue Committee of  
9 the Republic of Armenia appealed the decision on but no avail since the  
10 Appellate Administrative Court of the Republic of Armenia affirmed the  
11 Administrative Court's decision on November 4, 2021.

12 41. Similarly, or about January 9, 2019, Multi Gaz filed a dispute with the  
13 Administrative Court of the Republic of Armenia against the State  
14 Revenue Committee of the Republic of Armenia, requesting to void  
15 State Revenue Committee's Decisions No. 37-1 and No. 38-1, dated  
16 December 14, 2018, with a Tax Penalty No. 30013187, which covers the  
17 period as alleged in Plaintiff's Complaint, for a complete lack of legal  
18 ground. Consequently, on or about June 12, 2020, the Administrative  
19 Court of the Republic of Armenia granted Multi Gaz' demand to void  
20 State Revenue Committee's Tax Penalty No. 30013187 due to lack of  
21 legal ground. The State Revenue Committee of the Republic of Armenia  
22 appealed the decision on but no avail since the Appellate Administrative  
23 Court of the Republic of Armenia affirmed the Administrative Court's  
24 decision on September 15, 2021.

25  
26 42. Likewise, on or about January 8, 2019, Multi Leon filed a dispute with  
27 the Administrative Court of the Republic of Armenia against the State  
28

Revenue Committee of the Republic of Armenia, requesting to void State Revenue Committee's Decisions No. 6 and No. 7, dated December 17, 2018, with a Tax Penalty No. 3000858, dated January 17, 2019, which covers the period as alleged in Plaintiff's Complaint, for a complete lack of legal ground. Consequently, on or about July 23, 2020, the Administrative Court of the Republic of Armenia granted Multi Leon's demand to void State Revenue Committee's Tax Penalty No. 3000858, dated January 17, 2019, due to lack of legal ground. The State Revenue Committee of the Republic of Armenia appealed the decision on but no avail since the Appellate Administrative Court of the Republic of Armenia rejected State Revenue Committee's appeal to reconsider the Administrative Court's decision on February 2, 2022.

43. Upon information and belief, ARUSTAMYAN further alleges that PLAINTIFF'S claims fail, in whole or in part, because the proposed forfeiture is grossly disproportionate to the underlying conduct giving rise to the forfeiture pursuant to 18 U.S.C. § 983(g) for the foregoing reasons.

44. ARUSTAMYAN hereby requests that this Court to determine these questions of law and enter injunctive relief preventing the ongoing conduct by Plaintiff, by failure to provide a substantial connection between the Defendant Property and any alleged wrongful conduct by ARUSTAMYAN and ARTYOM and GURGEN.

#### **REQUEST FOR RELIEF**

WHEREFORE, ARUSTAMYAN respectfully requests that this Court enter a final judgment in favor of his as follows:



- a) Dismiss, without prejudice the forfeiture proceedings related to the Defendant property, 530 South Mapleton Drive, Los Angeles, CA, the Veto Estate, pending the outcome and final judgment of the court in Armenia as it relates to the alleged wrongful and/or criminal conduct alleged in the Complaint;
- b) Stay the forfeiture proceedings, pending the outcome and final judgment of the court in Armenia as it relates to the alleged wrongful and/or criminal conduct alleged in the Complaint;
- c) Declare that there is no substantial connection between the Property and any alleged wrongful conduct giving rise to forfeiture under 18 U.S.C. § 983(c);
- d) Declare that the proposed forfeiture is grossly disproportionate to the underlying conduct giving rise to the forfeiture pursuant to 18 U.S.C. § 983(g);
- e) Award ARUSTAMYAN any and all such other relief as the Court deems just and equitable, including, but not limited to, an award of attorney's fees and costs to the extent provided for by law.

### **CROSS-CLAIM**

Here comes the Counter Claimant/Cross-Claimant SEDRAK ARUSTAMYAN (hereinafter "ARUSTAMYAN") and hereby files this Cross-Claim against Claimants ARTYOM KHACHATRYAN ("ARTYOM") and GURGEN KHACHATRYAN ("GURGEN") (hereinafter "CLAIMANTS") pursuant to Federal *Rule of Civil Procedure* 13(g).

### **JURISDICTION AND VENUE**

1. This Court may exercise supplemental jurisdiction pursuant to Federal *Rule of Civil Procedure* 13(g), which states in pertinent parts: "A

pleading may state as a cross-claim any claim by one party against a co-party arising out of the transaction or occurrence that is the subject matter either of the original action or of a counterclaim therein or relating to any property that is the subject matter of the original action. Such cross-claim may include a claim that the party against whom it is asserted is or may be liable to the cross-claimant for all or part of a claim asserted in the action against the cross-claimant.”

2. Allegations in the Cross-Complaint arise “out of a transaction or occurrence that is the subject matter of the original action,” and it relates to “any property that is the subject of the original action,” Federal *Rule of Civil Procedure* 13(g). The test is whether the claims are “so logically connected that considerations of judicial economy and fairness dictate that all the issues be resolved in one lawsuit” *Pochiro v. Prudential Ins. Co. of America*, 827 F.2d 1246, 1249 (9<sup>th</sup> Cir. 1987). The “logical relationship” test looks at whether the same operative facts underly both the original action and the counter-claim or cross-claim. See *Pochiro* 827 F.2d at 1250.
3. In the instant case, allegations in the Cross-Complaint arise out of the same set of operative facts, that form the bases and allegations in Plaintiff’s Complaint.
4. Venue is proper in this district, as the defendant property is located in this district, CLAIMANTS filed their Verified Claim in this district, and Plaintiff filed its Verified Complaint for Forfeiture in this district.

### **THE PARTIES**

5. ARUSTAMYAN resides in Yerevan, Republic of Armenia, and claims an equitable interest in the real property located at 530 South Mapleton

Drive, Los Angeles, CA that is the subject of the Verified Complaint for Forfeiture filed by Plaintiff the United States of America in this case.

6. Upon information and belief, Claimants reside in Yerevan, Republic of Armenia and filed their Verified Claim in this district.

### **GENERAL ALLEGATIONS**

7. As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3 as discussed below, Borrowers, Artyom Khachatryan and Gurgen Khachatryan guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3, including but not limited to the Veto Estate. Said consent by the Borrowers is unconditional and extends to whatever properties, assets and belongings may be available from which ARUSTAMYAN may satisfy the sums due and owing pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3.
8. On or about July 9, 2009, ARUSTAMYAN entered into a \$7,000,000 Loan Agreement with CLAIMANTS, (hereinafter “**LOAN NO. 1**”). According to the written terms of LOAN NO. 1, the loan was due to be paid in full plus 4 (four) percent annual interest on July 30, 2010, to be paid by the due date on July 20, 2010. If the loan was not repaid within the specified time, a penalty of 0.01 percent was to be assessed per day, until the LOAN NO. 1 is paid in full.
9. As consideration and inducement for LOAN NO. 1; GURGEN and ARTYOM guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1 including but not limited to the Veto Estate. Said consent

1 by the CLAIMANTS was unconditional and extends to whatever  
2 properties, assets and belongings may be available from which  
3 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
4 LOAN NO. 1.

5 10. On or about July 29, 2010, ARUSTAMYAN and CLAIMANTS entered  
6 into an amended agreement to extend LOAN NO. 1's repayment date to  
7 July 30, 2015 (hereinafter "Amendment 1 for LOAN No. 1"). All other  
8 provisions on LOAN NO. 1 remained the same and in effect as to  
9 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
10 interest and a penalty of 0.01 percent was to be assessed per day, if  
11 LOAN No. 1 was not repaid in full within the specified time.

12 11. On or about July 28, 2015, ARUSTAMYAN and CLAIMANTS entered  
13 into another amended agreement to extend LOAN NO. 1's repayment  
14 date to July 30, 2010 (hereinafter "Amendment 2 for LOAN No. 1"). All  
15 other provisions on LOAN NO. 1 remained the same and in effect as to  
16 Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
17 interest and a penalty of 0.01 percent was to be assessed per day, if  
18 LOAN No. 1 was not repaid in full within the specified time. A true and  
19 correct copy of English translation of LOAN NO. 1 and Amendment 1  
20 for LOAN NO. 1, and Amendment 2 for LOAN NO. 1 are attached  
21 hereto as **Exhibit "A."**

22 12. On or ABOUT April 30, 2011, ARUSTAMYAN entered into a  
23 \$10,000,000 Loan Agreement with CLAIMANTS, (hereinafter "**LOAN**  
24 **NO. 2**"). According to the written terms of LOAN NO. 2, the loan was  
25 due to be paid in full plus 4 (four) percent annual interest on April 30,  
26 2016, to be paid by the due date on April 30, 2016. If the loan was not  
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28

1 repaid within the specified time, a penalty of 0.01 percent was to be  
2 assessed per day, until the LOAN NO. 2 is paid in full.

3 13. As consideration and inducement for LOAN NO. 2; ARTYOM and  
4 GURGEN guaranteed and pledged all properties, assets and belongings,  
5 of whatever nature to and in favor of ARUSTAMYAN, as security for  
6 LOAN NO. 2 including but not limited to the Veto Estate. Said consent  
7 by ARTYOM and GURGEN is unconditional and extends to whatever  
8 properties, assets and belongings may be available from which  
9 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
10 LOAN NO. 2.

11 14. On or about April 20, 2016, ARUSTAMYAN and CLAIMANTS  
12 entered into an amended agreement to extend LOAN NO. 2's repayment  
13 date to April 30, 2019 (hereinafter "Amendment 1 for LOAN No. 2").  
14 All other provisions on LOAN NO. 2 remained the same and in effect as  
15 to Amendment 1 for LOAN No. 1, including 4 (four) percent annual  
16 interest and a penalty of 0.01 percent was to be assessed per day, until  
17 the LOAN NO. 2 is paid in full, if the LOAN NO. 2 was not repaid  
18 within the specified time. A true and correct copy of English translation  
19 of LOAN NO. 2 and Amendment 1 for LOAN NO. 2 are attached hereto  
20 as **Exhibit "B."**

21 15. On or ABOUT July 10, 2011, ARUSTAMYAN entered into a  
22 \$13,400,000 Loan Agreement with CLAIMANTS, (hereinafter "**LOAN**  
23 **NO. 3**"). According to the written terms of LOAN NO. 3, the loan was  
24 due to be paid in full plus 4 (four) percent annual interest on July 10,  
25 2016, to be paid by the due date on July 10, 2016. If the loan was not  
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1 repaid within the specified time, a penalty of 0.01 percent was to be  
2 assessed per day, until the LOAN NO. 3 is paid in full.

3 16.As consideration and inducement for LOAN NO. 3; ARTYOM and  
4 GURGEN guaranteed and pledged all properties, assets and belongings,  
5 of whatever nature to and in favor of ARUSTAMYAN, as security for  
6 LOAN NO. 3 including but not limited to the Veto Estate. Said consent  
7 by the ARTYOM and GURGEN is unconditional and extends to  
8 whatever properties, assets and belongings may be available from which  
9 ARUSTAMYAN may satisfy the sums due and owing pursuant to  
10 LOAN NO. 3.

11 17.On or about July 7, 2016, ARUSTAMYAN and CLAIMANTS entered  
12 into an amended agreement to extend LOAN NO. 3's repayment date to  
13 July 10, 2019 (hereinafter "Amendment 1 for LOAN No. 3"). All other  
14 provisions on LOAN NO. 3 remained the same and in effect as to  
15 Amendment 1 for LOAN No. 1, including 4 (four)percent annual  
16 interest and a penalty of 0.01 percent was to be assessed per day, until  
17 the LOAN NO. 3 is paid in full, if the LOAN NO. 3 was not repaid  
18 within the specified time. A true and correct copy of English translation  
19 of LOAN NO. 3 and Amendment 1 for LOAN NO. 3 are attached hereto  
20 as **Exhibit "C."**

21 18. Pursuant to the ARUSTAMYAN and CLAIMANTS joint venture  
22 agreement, funds from ARUSTAMYAN corresponding to this LOAN  
23 NO. 3 amount were used to purchase the Veto Estate. As acknowledged  
24 in the Complaint, on July 8, 2011, ARUSTAMYAN caused  
25 approximately \$999,500 to be wired from an HSBC account in Armenia  
26 in his name to the Veto Trust's Bank of America account ending in  
27



‘7103 in the United States. Four days later, on July 12, 2011, the Veto Trust used check No. 102 in the amount of \$1,000,000 drawn on the same Bank of America Account to open escrow with West Coast Escrow at Comerica Bank for purchase of the Veto Estate. Four days later, on July 12, 2011, the Veto Trust used check No. 102 in the amount of \$1,000,000 drawn on the same Bank of America Account to open escrow with West Coast Escrow at Comerica Bank for purchase of the Veto Estate. After the Veto Trust’s initial \$1 million payment, ARUSTAMYAN paid the substantial remainder of the purchase price directly to West Coast Escrow at its account at Comerica Bank. From July 27, 2011 to August 3, 2011, ARUSTAMYAN caused the following wire transfers to be made from HSBC Bank accounts in Armenia in his name to the West Coast Escrow account at Comerica Bank in a total of total \$13,401,199.40. Compl. ¶41, 42, 43.

19. This sum corresponds to the amount of LOAN NO. 3 for \$13,400,000 ARUSTAMYAN entered with CLAIMANTS on July, 10, 2011. Pursuant to their joint venture agreement between ARUSTAMYAN and CLAIMANTS, CLAIMANTS purchased 530 South Mapleton Drive, Los Angeles, CA, the Veto Estate to renovate and to re-sell at a higher price and to share the net profits from the sale of the property, after reimbursement of costs to CLAIMANTS and repaying the principal to ARUSTAMYAN.

20. As of April 2, 2021, CLAIMANTS failed to perform under the LOAN NO. 1; LOAN NO. 2, and LOAN NO. 3.

21. As such, on or about April 2, 2021, ARUSTAMYAN filed two separates Demands for Involuntary Bankruptcy (hereinafter “Demand”)

1 in the Republic of Armenia Bankruptcy Court to declare CLAIMANTS  
2 bankrupt pursuant to Republic of Armenia *Bankruptcy Code* Article 3  
3 (1), which states in pertinent parts “The debtor can be declared bankrupt  
4 the judgment - on own initiative (the statement for voluntary  
5 bankruptcy) or upon the demand of the creditor (the statement for  
6 involuntary insolvency) if the debtor is insolvent.” Article 3 (2) further  
7 states in pertinent parts that “The judgment debtor can be declared  
8 bankrupt: 1) based on the statement for involuntary insolvency if it  
9 allowed delay of the indisputable payment obligations exceeding the  
10 two-thousand fold size of the minimum wage established by the law for  
11 the term of 90 days and more, and the specified delay continues at the  
12 time of decision (the actual insolvency). The payment obligation is  
13 indisputable if the debtor does not object to it or if he objects to the  
14 mentioned obligation.”

15 22. ARUSTAMYAN further claimed in each Demand a total of  
16 \$21,122,000 against each CLAIMANT. This amount was calculated by  
17 adding \$15,200,000 for each CLAIMANT (50% of the total amount due  
18 by both CLAIMANTS for an amount of \$30,400,000 pursuant to  
19 LOAN NO. 1 for \$7,000,000; LOAN NO. 2 for \$10,000,000; and  
20 LOAN NO. 3 for \$13,400,000) to the 50% a cumulated interest of  
21 \$5,922,000, from a total cumulated interest of \$11,844,000.  
22

23 23. As such, ARUSTAMYAN demanded a recovery total of \$21,122,000  
24 against Claimant ARTYOM and \$21,122,000 against Claimant  
25 GURGEN.

26 24. On or about March 24, 2022, Republic of Armenia Bankruptcy Court  
27 granted ARUSTAMYAN’S Demand and declared Claimant GURGEN  
28

1 bankrupt. Republic of Armenia Bankruptcy Court further ordered that a  
2 lien be placed all property belonging to GURGEN, excluding all  
3 properties that are exempt from a lien.

4 25. On or about January 27, 2022, ARUSTAMYAN filed a Demand for  
5 Forfeiture Money in a total amount of 19,429,436,000 in Armenian  
6 Dram pursuant to LOAN NO.1; LOAN NO.2; and LOAN NO.3 with the  
7 Kotayq District Court of First Instance. This action is still pending.

8 26. In his witness statement to the Department of Economic Security and  
9 Countering Corruption of National Security Service of the Republic of  
10 Armenia on January 29, 2019, Claimant GURGEN stated that  
11 ARUSTAMYAN and CLAIMANTS entered into a joint venture  
12 agreement for profit on or about 2009 to invest in real properties.  
13 GURGEN further stated that they entered into a LOAN No. 1 as stated  
14 below to buy a real estate property located at 424 Robert Lane, Los  
15 Angeles, CA. Per the joint venture agreement, ARUSTAMYAN and  
16 CLAIMANTS were to renovate said property and to re-sell for a higher  
17 price, and thereafter, equally share the net proceeds from the sale of said  
18 property.

19 27. GURGEN further states in his witness statement January 29, 2019, that  
20 ARUSTAMYAN and CLAIMANTS entered into another joint venture  
21 agreement which formed the basis for LOAN 3 as discussed below. On  
22 or about 2011, after successfully accomplishing the first real property  
23 investment and sale in 2009, ARUSTAMYAN and CLAIMANTS  
24 entered into another joint venture agreement, which formed the basis for  
25 LOAN 3, to invest in real property located at 530 South Mapleton Drive,  
26 Los Angeles, CA, the Veto Estate, to renovate, re-sell, and share the net  
27

proceeds from the sale of the property. GURGEN further added in his statement on January 29, 2019, that he seeks to sell the property located at 530 South Mapleton Drive, Los Angeles, CA, the Veto Estate to payout ARUSTAMYAN'S debts from the proceeds of the sale.

28. Similarly, in his statement to the Department of Economic Security and Countering Corruption of National Security Service of the Republic of Armenia in August of 2019, and in his supplemental statements on April 24, 2020, on June 9, 2020, and on October 9, 2020, ARUSTAMYAN confirmed that CLAIMANTS and he entered into joint venture agreement(s) for profit since 2009 to invest in real properties, buy buying real estate, renovating, and selling them, which formed the basis of three loan agreements as discussed below. In exchange for consideration in all three loans, CLAIMANTS were to pay ARUSTAMYAN 4 (four) percent annual interest on each of three loans as discussed below.

### COUNT ONE

#### (CONSTRUCTIVE TRUST)

29. ARUSTAMYAN re-alleges and incorporates by reference all the allegations of this Cross-Claim with the same force and effect as it fully restated herein.

30. ARUSTAMYAN claims an equitable interest in the Defendant property, the Veto Estate, pursuant to the three joint business venture agreements for profit between ARUSTAMYAN and CLAIMANTS.

31. In addition, the court in Armenia has granted ARUSTAMYAN's request to declare GURGEN bankrupt and has granted ARUSTAMYAN the

1 right to place a lien on all assets, exclusive of those that are not subject  
2 to a lien, from which ARUSTAMYAN's debt may be satisfied.

3 32.As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and  
4 LOAN NO. 3 as discussed below, ARTYOM and GURGEN guaranteed  
5 and pledged all properties, assets and belongings, of whatever nature to  
6 and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN  
7 NO. 2; and LOAN NO. 3, including but not limited to the Veto  
8 Estate. Said consent by the GURGEN and ARTYOM is unconditional  
9 and extends to whatever properties, assets and belongings may be  
10 available from which ARUSTAMYAN may satisfy the sums due and  
11 owing pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3.

12 33.A Fiduciary relationship existed between ARUSTAMYAN and  
13 CLAIMANTS, as members of a joint venture.

14 34.CLAIMANTS made an express promise to ARUSTAMYAN inducing  
15 ARUSTAMYAN to enter into joint venture agreements (LOAN NO. 1;  
16 LOAN NO. 2; and LOAN O. 3) and invest in real properties, including  
17 in the Property that is the subject of the Complaint.

18 35.ARUSTAMYAN relied on CLAIMANTS' promise and loaned monies  
19 to CLAIMANTS pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN  
20 NO. 3.

21 36.CLAIMANTS were unjustly enriched by monies paid by  
22 ARUSTAMYAN and received by CLAIMANTS.

23 37.A constructive trust is an equitable remedial device by which a Court  
24 adjudges specific restitution of a received benefit. Constructive trusts  
25 may be imposed when a party has acquired legal title to property or  
26 money under such circumstances that he or she may not in good  
27

conscience retain the beneficial interest in the property, and in such a situation, equity converts the legal titleholder into a trustee holding the title for the benefit of those entitled to the ownership thereof.

38. Here, ARUSTAMYAN seeks equitable redress for CLAIMANTS' conduct in taking money from ARUSTAMYAN in exchange for promises that the funds would be used in furtherance of the joint venture agreement by and between the parties, in purchasing, renovating and re-selling, for profit various parcels of real property, including but not limited to the Veto Estate, the Defendant in this action.

39. A Constructive Trust should be imposed for the purpose of preventing unjust enrichment by the CLAIMANTS for retaining the funds extended to them by ARUSTAMYAN and the real property purchases using the same, including but not limited to the Veto Estate.

40. A Constructive Trust should be imposed to prevent unjust enrichment.

## **COUNT TWO**

### **(UNJUST ENRICHMENT)**

41. ARUSTAMYAN re-alleges and incorporates by reference all the allegations of this Cross-Claim with the same force and effect as it fully restated herein.

42. As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3 as discussed below, ARTYOM and GURGEN guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3, including but not limited to the Veto Estate. Said consent by ARTYOM and GURGEN is unconditional and extends to whatever properties, assets and belongings may be available



from which ARUSTAMYAN may satisfy the sums due and owing pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3.

43. In addition, the court in Armenia has granted ARUSTAMYAN'S request to allow a lien to be placed on all assets belonging to GURGEN, save those that are not subject to lien.

44. ARUSTAMYAN seeks equitable redress for CLAIMANTS' conduct in taking money from ARUSTAMYAN in furtherance of joint venture agreements for the purchase, renovation and re-sale of various real properties, including but not limited to the Veto Estate, which joint venture agreement the CLAIMANTS had no intention of honoring.

45. As a result of CLAIMANTS' wrongful acts and omissions, CLAIMANTS have been unjustly enriched to the detriment of ARUSTAMYAN.

### **COUNT THREE** **(RESULTING TRUST)**

46. ARUSTAMYAN re-alleges and incorporates by reference all the allegations of this Cross-Claim with the same force and effect as it fully restated herein.

47. As consideration and inducement for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3 as discussed below, ARTYOM and guaranteed and pledged all properties, assets and belongings, of whatever nature to and in favor of ARUSTAMYAN, as security for LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3, including but not limited to the Veto Estate. Said consent by ARTYOM and GURGEN is unconditional and extends to whatever properties, assets and belongings may be available from which

ARUSTAMYAN may satisfy the sums due and owing pursuant to LOAN NO. 1; LOAN NO. 2; and LOAN NO. 3.

48. Resulting Trust applies when a party gives money to another to purchase property and but where the lender is not on title. When a dispute arises over ownership of the property, the party who contributed money towards the purchase can rightfully allege a resulting trust.

49. ARUSTAMYAN and CLAIMANTS entered into joint venture agreements (LOAN NO. 1; LOAN NO. 2; and LOAN O. 3) to invest in real properties, including in the Property that is subject to Plaintiff's Complaint, the Veto Estate.

50. CLAIMANTS used ARUSTAMYAN'S funds totaling \$42,244,000 to invest in real properties, including in the Property that is subject to Plaintiff's Complaint, the Veto Estate. As such, a Resulting Trust was created in favor of ARUSTAMYAN

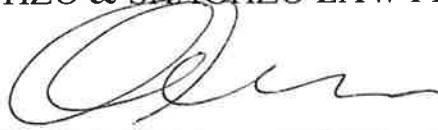
### **REQUEST FOR RELIEF**

WHEREFORE, ARUSTAMYAN respectfully requests that this Court enter final judgment in his favor and against CLAIMANTS as follows:

- a) For general, special and property damage in an amount to be determined at trial;
- b) Reasonable attorney fees;
- c) For an order declaring that ARUSTAMYAN has an equitable interest in the Veto Estate in the form of a resulting trust;
- d) For retained monies in an amount according to proof, plus interest;
- e) For such further relief as the Court deems just and equitable.

1 DATED: June 27, 2022

SHAGHZO & SHAGHZO LAW FIRM, LP

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Armen Shaghzo, Esq.

4 Attorney for Counter-Claimant/Cross-  
5 Claimant, SEDRAK ARUSTAMYAN


**VERIFICATION**

I, SEDRAK ARUSTAMYAN, am the Claimant, Counter Claimant, and Cross-Claimant in the matter of the United States of America v. Real Property in Los Angeles, California, Case No. 2:22-CV-02902-jls-pd.

I have read the foregoing Verified Answer, Affirmative Defenses, Counter Claim, and Cross Claim, and I know the contents thereof. I declare based upon information and belief that the matters stated therein are true.

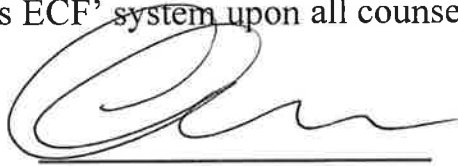
I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

DATED: June 27, 2022

  
Sedrak Arustamyan, Declarant

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 27<sup>th</sup> day of June, 2022, a copy of the foregoing was served via the Court's ECF' system upon all counsel of record.

A handwritten signature in black ink, appearing to read 'Armen Shaghzo', is written over a horizontal line.

Armen Shaghzo, Esq.